

CLERK OF COURT OF RAPIDES PARISH
Alexandria, Louisiana

ANNUAL
FINANCIAL
REPORT

For the Year Ended June 30, 2014

CLERK OF COURT OF RAPIDES PARISH
Alexandria, Louisiana

ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2014

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CLERK OF COURT OF RAPIDES PARISH
Alexandria, Louisiana

June 30, 2014

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CLERK OF COURT OF RAPIDES PARISH

Alexandria, La.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2014

Our discussion and analysis of the Clerk of Court of Rapides Parish 's financial performance provides an overview of the financial activities as of and for the fiscal year ended June 30, 2014. Please read in conjunction with the basic financial statements and the accompanying notes to financial statements.

The Management's Discussion and Analysis is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 issued in June 1999.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net position and the Statement of Activities (Government-Wide Financial Statements) provide information about the activities as a whole and present a longer-term view of the Clerk of Court's finances. The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Fund (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide financial statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated.

The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

One of the most important questions asked about finances is "Is the Rapides Parish Clerk of Court as a whole better off or worse off as a result of the year's activities?" The Statement of Net position and the Statement of Activities report information of the Clerk of Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net position and changes in them. You can think of net position—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the overall health of the Rapides Parish Clerk of Court.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the Clerk of Court as a whole. Some funds are required to be established by State laws.

Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine the amount of financial resources that can be spent in the near future to finance the Clerk of Court's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds with a reconciliation at the bottom of the fund financial statement.

CLERK OF COURT OF RAPIDES PARISH
Alexandria, La.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2014
(continued)

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations, assets exceeded liabilities by \$2,708,296 (net position).
- Total net position are comprised of the following
 - (1) Investment in capital assets of \$416,446 including the cost of office equipment and furniture, net of accumulated depreciation.
 - (2) Unrestricted net position of \$2,291,850 is the portion available to maintain the continuing obligations to citizens and creditors at year end.
- The governmental funds reported total ending fund balance of \$3,592,320. Of this amount, \$1,442,320 was unassigned. This compares to the prior year ending fund balance of \$3,835,629, resulting in a increase of \$243,309 during the current year.
- Total spending for all judicial activities was \$3,839,817 for the year, which was \$56,310 more than the program revenues of \$3,279,507.
- The interest earned on checking accounts and investments in certificates of deposits was \$21,974 for the year. This reflects a decrease of \$7,942 or 26% from the prior year.

The Statement of Net position and the Statement of Activities reports only one type of activity-governmental activities. All of the basic judicial services are reported as this type. Fines and fees charged to the public finance most of these activities.

FINANCIAL ANALYSIS AS A WHOLE

The Clerk of Court's net position decreased by \$533,273 as a result of this year's operations. The overall financial position declined during the fiscal year ended June 30, 2014. Unrestricted net position (the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) absorbed most of the increase during the year. The balance in net position represents the accumulated results of all past years' operations. It represents that if the Clerk of Court had to pay off all bills, including all the non-capital liabilities, \$2,708,296 would remain.

The Clerk of Court's total revenues for the year in governmental activities were \$3,306,544 (\$3,279,507 in charges for services and \$27,037 in general revenues). The total cost of all judicial programs and services was \$3,839,817 with no new programs added this year. The following tables reflect the condensed statements of net position and statement of activities:

Table I
Comparative Statement Of Net Position
June 30, 2014
With comparative totals for June 30,2013
in (thousands)

	Governmental activities	
	<u>2014</u>	<u>2013</u>
Current and other assets	3,823	4,060
Capital Assets	<u>416</u>	<u>460</u>
Total Assets	4,239	4,520
Total Liabilities	1531	1,278
Net position:		
Capital Assets	416	460
Unrestricted	<u>2,292</u>	<u>2,782</u>
Total Net Position	<u>2,708</u>	<u>3,242</u>

Table II
Comparative Statement of Activities
June 30, 2014
With comparative totals for June 30,2013
in (thousands)

	Governmental activities	
	<u>2014</u>	<u>2013</u>
Expenses:		
Current judiciary	3,841	3,760
Program Revenue:		
Judiciary	3,280	3,689
General Revenues	<u>27</u>	<u>34</u>
Total Revenues	<u>3,307</u>	<u>3,723</u>
Change in Net position	(534)	(37)
Net Position Bg year	<u>3,242</u>	<u>3,279</u>
Net Position end year	<u>2,708</u>	<u>3,242</u>

CLERK OF COURT OF RAPIDES PARISH
Alexandria, La.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2014
(continued)

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

As noted earlier, the Clerk of Court uses funds to control and manage money for particular purposes. Analyzing funds helps you consider whether the Clerk of Court is being accountable for the resources provided but may also give more insight into the overall financial health.

The Clerk of Court's governmental funds reported a combined fund balance of \$3,592,320. This reflects a decrease of \$243,309 from the prior fiscal year. This increase is primarily the result of the events and programs described within the analysis of the governmental activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Supplemental changes in the authorized budget expense amounts that were not changed and were over budget are as follows:

- | | |
|-------------------------|----------|
| (1) Salaries & Benefits | -\$2,183 |
| (2) UCC | -\$2,316 |
| (3) Other expenses | -\$1,475 |

CAPITAL ASSETS

Capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2014 was \$416,446.

This year there were \$11,012 of additions to capital assets. The Clerk of Court adopted a capitalization policy during the year whereby only furniture and equipment over \$50 would be capitalized. More detailed information about the capital assets is presented in Note 7 to the financial statements.

DEBT

At year-end, the Rapides Parish Clerk of Court had no long term debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Clerk has limited discretion in setting fees and costs for services provided, the majority of which are regulated by Louisiana Revised Statutes. The office staff and costs have been largely stable for the past several years, and are expected to remain so.

The Rapides Parish Police Jury absorbs some of the operating expenses by providing office space for the Clerk of Court. Taking all factors into consideration, the Clerk of Court's general fund balance is expected to decrease by the end of fiscal year 2015.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Rapides Clerk of Court's finances and to report the Clerk of Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Robin Hooter, Deputy Clerk of Court for the Rapides Parish Clerk of Court, P.O. Drawer 952 Alexandria, LA 71309-0952 at phone number (318) 473-8153.

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INDEPENDENT AUDITOR'S REPORT

The Honorable Robin Hooter
Clerk of Court of Rapides Parish
Alexandria, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund and the aggregate remaining fund information of the Rapides Parish Clerk of Court's Office, a component unit of the Rapides Parish Police Jury, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Rapides Parish Clerk of Court's Office, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-3 and 33-34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rapides Parish Clerk of Court's Office's basic financial statements. The introductory section, other supplementary section and the required supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section, other supplementary section and the required supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 19, 2014, on my consideration of the Rapides Parish Clerk of Court's Office's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rapides Parish Clerk of Court's Office's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read 'Billy Debevec', with a stylized flourish at the end.

Billy Debevec, CPA
Alexandria, Louisiana
December 19, 2014

CLERK OF COURT OF RAPIDES PARISH
Alexandria, Louisiana

STATEMENT OF NET POSITION
June 30, 2014

	GENERAL FUND
<u>ASSETS</u>	
CASH AND CASH EQUIVALENTS	\$ 390,852
INVESTMENTS	3,375,000
ACCOUNTS RECEIVABLE	49,852
PREPAID INSURANCE	6,998
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	<u>416,446</u>
TOTAL ASSETS	<u>\$ 4,239,148</u>
<u>LIABILITIES AND NET POSITION</u>	
LIABILITIES:	
ACCOUNTS PAYABLE	\$ 219,450
ACCRUED EXPENSES	3,934
COMPENSATED ABSENCES PAYABLE	237,963
NET OPEB OBLIGATION	<u>1,069,505</u>
TOTAL LIABILITIES	<u>1,530,852</u>
NET POSITION:	
INVESTMENT IN CAPITAL ASSETS	416,446
UNRESTRICTED	<u>2,291,850</u>
TOTAL NET POSITION	<u>\$ 2,708,296</u>

The accompanying notes are an integral part of this financial statement

CLERK OF COURT OF RAPIDES PARISH

Alexandria, Louisiana

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2014

EXPENSES

Current-Judiciary:

Salaries and benefits	\$ 2,326,637
Office Supplies	210,516
Group Insurance	353,947
General Insurance	30,385
Travel & Continuing Educ.	4,472
Auto Supplies & Maint.	7,493
Computer Operations	33,877
Telephone	24,610
Retirement contributions	504,939
Election expense	760
Battered Families	13,051
Sec. of State -UCC Fees	56,316
Vital Records Fees	90,835
Miscellaneous	<u>127,075</u>
Total current	3,784,913

Depreciation

Total expenses	<u>54,904</u>
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PROGRAM REVENUES

Deeds	1,067,320
Civil Suits and Probates	1,275,395
Cancellations	7,180
Mortgage Certificates	22,701
Vital Records	119,770
Marriage licenses	30,223
Certified Copies	197,636
Criminal Fees	124,691
Election fees	818
UCC Fees	174,460
Title IV State Funds	115,367
Miscellaneous	<u>143,946</u>

Total program revenues 3,279,507

Net program revenues (560,310)

GENERAL REVENUES

Interest earned	21,974
Transfers	<u>5,063</u>
Total General Revenues and Transfers	<u>27,037</u>

Change in NET POSITION (533,273)

NET POSITION, BEGINNING OF YEAR 3,241,569

NET POSITION, END OF YEAR \$ 2,708,296

The accompanying notes are an integral part of this financial statement.

CLERK OF COURT OF RAPIDES PARISH

Alexandria, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2014

	<u>GENERAL FUND</u>
ASSETS	
CASH AND CASH EQUIVALENT	\$ 390,852
INVESTMENTS	3,375,000
ACCOUNTS RECEIVABLE	<u>49,852</u>
TOTAL ASSETS	<u>\$ 3,815,704</u>
 <u>LIABILITIES AND FUND BALANCES</u>	
LIABILITIES:	
ACCOUNTS PAYABLE	\$ 219,450
ACCRUED EXPENSES	<u>3,934</u>
TOTAL LIABILITIES	<u>223,384</u>
 FUND BALANCES:	
ASSIGNED	2,150,000
UNASSIGNED	<u>1,442,320</u>
TOTAL FUND BALANCE	<u>3,592,320</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,815,704</u>

The accompanying notes are an integral part of this financial statement.

CLERK OF COURT OF RAPIDES PARISH

Alexandria, Louisiana

RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION

June 30, 2014

Total fund balance-governmental fund (fund financial statement) \$ 3,592,320

Amounts reported for governmental activities in the statement of Net Position
(government-wide financial statements) are different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in
governmental funds.

Cost of assets	1,503,281	
Accumulated depreciation	<u>(1,086,835)</u>	416,446

Long-term liabilities are not due and payable in the
current period and therefore are not reported in the
governmental funds.

OPEB Obligation	(1,069,505)	
Compensated absences	<u>(237,963)</u>	(1,307,468)

Some of the expenses are paid for the next year and
are not expensed on the government wide statements

Prepaid insurance	<u>6,998</u>	<u>6,998</u>
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Total Net Position of governmental activities (government-wide financial statements)	<u>\$ 2,708,296</u>
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The accompanying notes are an integral part of this reconciliation.

CLERK OF COURT OF RAPIDES PARISH

Alexandria, Louisiana

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUND TYPE-GENERAL FUND For the year ended June 30, 2014

REVENUES

Deeds	\$ 1,067,320
Civil Suits and Probates	1,275,395
Cancellations	7,180
Mortgage Certificates	22,701
Vital Records	119,770
Marriage Licenses	30,223
Certified Copies	197,636
Criminal Fees	124,691
Election Fees	818
UCC Fees	174,460
Interest on Investments	21,974
Title IV State Fees	115,367
Miscellaneous	<u>143,946</u>
Total Revenues	<u>3,301,481</u>

EXPENDITURES

CURRENT-JUDICIARY:

Salaries and Benefits	2,080,565
Office Expense	210,516
Group Insurance	353,947
General Insurance	30,385
Travel & Continuing Educ.	4,472
Auto Supplies and Maint.	7,493
Computer Operations	33,877
Telephone	24,610
Retirement Contributions	504,939
Election Expense	760
Battered Families	13,051
Sec. Of State - UCC Fees	56,316
Vital Records Fees	90,835
Miscellaneous	<u>127,075</u>
Total Current Expenditures	3,538,841

CAPITAL OUTLAY

	<u>11,012</u>
Total Expenditures	<u>3,549,853</u>

(Continued)

The accompanying notes are an integral part of this financial statement.

CLERK OF COURT OF RAPIDES PARISH

Alexandria, Louisiana

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE**

GOVERNMENTAL FUND TYPE-GENERAL FUND

For the year ended June 30, 2014

(CONTINUED)

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(248,372)
OTHER FINANCING SOURCES	
Operating Transfers in	<u>5,063</u>
Total Other Financing Sources	<u>5,063</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(243,309)
FUND BALANCE, BEGINNING	<u>3,835,629</u>
FUND BALANCE, ENDING	<u><u>\$ 3,592,320</u></u>

The accompanying notes are integral part of this financial statement.

CLERK OF COURT OF RAPIDES PARISH

Alexandria, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2014

Net change in fund balances-total governmental funds (fund financial statements)	\$	(243,309)
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Amounts reported for governmental activities in the statement of activities
(government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund. Government activities report depreciation expense to allocate the cost of those capital assets over the estimated useful

Capital Outlay	11,012	
Depreciation expense	<u>(54,904)</u>	
		(43,892)

Some of the expenses reported in the statement of activities do not required the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in OPEB Obligation	(246,152)	
Decrease in compensated absences	<u>80</u>	
		(246,072)

Change in Net Position of governmental activities (government-wide financial statements)	<u>\$</u>	<u>(533,273)</u>
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The accompanying notes are an integral part of this reconciliation.

CLERK OF COURT OF RAPIDES PARISH

Alexandria, Louisiana

STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS

June 30, 2014

	CASA FUND	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	TOTAL
<u>ASSETS</u>				
CASH	\$ 29,061	\$ 288,157	\$ 2,554,141	\$ 2,871,359
INVESTMENTS		900,000		900,000
OTHER RECEIVABLES		10,213		10,213
TOTAL ASSETS	<u>\$ 29,061</u>	<u>\$ 1,198,370</u>	<u>\$ 2,554,141</u>	<u>\$ 3,781,572</u>
<u>LIABILITIES AND NET POSITION</u>				
LIABILITIES:				
UNSETTLED DEPOSITS	<u>\$ 29,061</u>	<u>\$ 1,198,370</u>	<u>\$ 2,554,141</u>	<u>\$ 3,781,572</u>
TOTAL LIABILITIES	29,061	1,198,370	2,554,141	3,781,572
NET POSITION:				
TOTAL NET POSITION	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 29,061</u>	<u>\$ 1,198,370</u>	<u>\$ 2,554,141</u>	<u>\$ 3,781,572</u>

The accompanying notes are an integral part of this financial statement.

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

INTRODUCTION

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. The clerk of court is elected for a term of four years.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Rapides Parish Clerk of Court have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

B. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Rapides Parish Police Jury is the financial reporting entity for Rapides Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 61 established criteria for determining which component units should be considered part of the Rapides Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

B. REPORTING ENTITY (contd.)

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and / or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury could be provided with specific financial benefit or could be responsible for specific financial burdens the Clerk of Court was determined to be a component unit of the Rapides Parish police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The Clerk of Court uses the funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

C. Fund Accounting (contd.)

Governmental Funds

Governmental funds account for all or most of the Clerk' activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the Clerk of Court. The fund balances are classified into five possible categories which focus on the constraints of spending. The categories are non spendable, restricted, committed, assigned and unassigned. The following are the Clerk's governmental funds:

General Fund

The General Fund (Salary Fund), as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court and accounts for the operations for the clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, and focuses on Net Position and changes in Net Position. The fiduciary fund includes the following:

Agency Funds

The advance deposit, registry of court, judiciary fee and court appointed special advocate fund are used to account for assets held as an agent for individuals, et cetera while the deferred compensation agency fund accounts for employee contributions and earnings that are held by a third party administrator on behalf of certain part-time, seasonal and temporary employees. In accordance with Internal Revenue Code 457, the Rapides Parish Clerk of Court retains title to the assets and acts as agent for the employee fund. All agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations, but use the modified accrual basis of accounting.

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

D. Measurement Focus/Basis of Accounting

Fund Financial Statements(FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources and uses of current financial resources. The modified accrual basis of accounting is used by the fund financial statements (FFS). Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Recordings, cancellations, court attendance, criminal costs, et cetera, are recorded in the year in which they are earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available.

Substantially all other revenues are recorded when received.

Expenditures

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased. Compensated absences are recognized as expenditures when leave is actually taken or the employees (or heirs) are paid for accrued leave upon retirement or death.

Salaries are recorded as expenditures when earned.

Principal and interest on general long-term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

D. Measurement Focus/Basis of Accounting (contd.)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, sales of assets and capitalized leases are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Government – Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Rapides Parish Clerk as a whole. These statements include all the financial activities of the Rapides Parish Clerk. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and inflows of resources resulting from exchange or exchange like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from general revenues.

E. Budgetary Practice

The proposed budget for the 2014 fiscal year was made available for public inspection at the Clerk's office on June 6, 2013. The public hearing, which was for the purpose of adopting the budget was held at the Clerk's office on June 30, 2013. The Clerk of Court follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device for the Clerk's General fund. The budget is adopted on a modified accrual basis of accounting.

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

E. Budgetary Practice (contd.)

2. The Clerk of Court approves all budget line items.
3. Unused appropriations for all annual budgetary funds lapse at the end of the year.
4. The budget amounts shown in the financial statement are final authorized amounts as revised during the year.

F. Cash and Cash Equivalents

In the governmental fund and agency funds, cash and cash equivalents include amounts in all demand deposits, interest bearing demand deposits and time deposits with original maturities of three months or less from the date of acquisition.

G. Investments

If the cash deposits have original maturities greater than 90 days, they are classified as investments. Investments are stated at cost or amortized cost, except for investments in the Deferred Compensation Agency Fund which are reported at market value.

H. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$50 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture & Equipment	3-30 years

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

I. Compensated Absences

The Clerk of Court has the following policy related to annual or sick leave: Twenty four days annual/sick leave are accrued per year to all full time employees. Sick or annual leave shall be credited to permanent full time employees at the following rates:

1. Less than one (1) full year of service equals two (2) full days for each calendar month of continuous service.
2. More than one (1) full year of service equals two (2) full days for each calendar month of continuous service or twenty four (24) days per calendar year.

Unused sick leave earned by an employee shall be carried forward to succeeding calendar years, but not to exceed sixty (60) days.

The Clerk's recognition and measurement criteria for compensated absences follows: GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if *both* of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

I. Compensated Absences (contd.)

- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability is reported on the Government-Wide Financial Statements. The current portion of the liability for compensated absences should be reported in the fund financial statements. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The non-current portion of the liability is not reported in the fund financial statements.

J. Restricted Net Position

For government-wide Statement of Net Position, Net Position are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change. Currently, the clerk has funds which are unassigned and funds which are assigned. The assigned funds represents balances that are constrained by the clerk's intent to be used for converting documents to digital media and technology upgrades, but are not restricted or committed.

R.S. 13:785 requires that at the expiration of her term of office, the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the Clerk's last year of her term of office. At June 30, 2014, there was no amount due the parish treasurer.

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH

At June 30, 2014, the Clerk of Court has cash and cash equivalents (book balances) totaling \$3,262,211, as follows:

	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Cash on Hand	\$ 500	\$ -0-	\$ 500
Demand Deposits Including			
Interest bearing demand deposits	390,352	2,871,359	3,261,711
Time Deposits	<u>0</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 390,852</u>	<u>\$ 2,871,359</u>	<u>\$ 3,262,211</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by the federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2014, the Clerk has \$3,403,517 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 in FDIC insurance (GASB Category 1) and \$3,153,517 of pledged securities held by the custodial bank in the name of the Clerk (GASB Category 2).

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

2. CASH (contd.)

Custodial Credit Risk: For deposits, custodial credit risk is the risk that in event of the bank failure, the clerk's funds aren't returned. At year end the Clerk's deposits were entirely covered by FDIC insurance or by collateral held by the Clerk or its agent in the Clerk's name.

Under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand. (This disclosure should acknowledge any violations of state law relating to adequate pledged securities.)

3. INVESTMENTS

Investments are stated at cost in the advanced deposit fund and the Clerk's salary fund. While the investments in the deferred compensation fund are stated at fair market value. Investments at June 30, 2014, are as follows:

<u>Fund</u>	<u>With Whom</u>	<u>Investment</u>	<u>Cost</u>	<u>Value</u>
Advance Deposit	Red River Bank	C.D.	\$150,000	\$150,000
Advance Deposit	Union Bank	C.D.	750,000	750,000
Clerk Salary	Southern Heritage	C.D.	500,000	500,000
Clerk Salary	Red River Bank	C.D.	1,000,000	1,000,000
Clerk Salary	Union Bank	C.D.	475,000	475,000
Clerk Salary	Evangeline Bank	C.D.	1,400,000	1,400,000
Total			\$ 4,275,000	\$ 4,275,000

The investments consisted of certificates of deposits with original maturities of more than (90) days. At year end, the Clerk's total investment balance in certificates of deposit was \$4,275,000. Of the bank balance, \$1,000,000 was covered by federal depository insurance, \$3,275,000 was covered by pledged securities of financial institutions which comply with the requirements of Louisiana statutes and no amounts were uninsured or uncollateralized.

The Clerk's investments which are subject to categorization are the certificates of deposit. They are categorized to give an indication on the level of risk assumed by the Clerk's office at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Clerk or its agent in the Clerk's name. Category 2 includes

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Clerk's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Clerk's name.

At year end, all investments and cash balances of the Clerk's office were Category 1 funds.

4. ACCOUNTS RECEIVABLES

The receivables of \$60,065 at June 30, 2014, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Due from State of Louisiana			
Title IV Fees	\$ 30,735	\$ -0-	\$ 30,735
Local Fees & Charges	19,117	-0-	19,117
Other	<u>-0-</u>	<u>10,213</u>	<u>10,213</u>
Total	<u>\$ 49,852</u>	<u>\$10,213</u>	<u>\$ 60,065</u>

5. BAD DEBTS

Uncollectible amounts due for customer receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the particular receivable.

6. INTERFUND TRANSFERS

	<u>Transfer From Fund</u>
	Adv dep
	<u>Fund</u>
<u>Transfer to Fund</u>	
General fund	<u>\$ 5,063</u>
Total	<u>\$ 5,063</u>

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

7. CAPITAL ASSETS

A summary of property and equipment and accumulated depreciation at June 30, 2014 follows:

	<u>Property and Equipment</u>			
	Balance <u>7/01/13</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/14</u>
Furniture & equipment	<u>\$1,524,899</u>	<u>\$ 11,012</u>	<u>\$ 32,630</u>	<u>\$ 1,503,281</u>

	<u>Accumulated Depreciation</u>			
	Balance <u>7/01/13</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/14</u>
Furniture & equipment	<u>\$1,064,561</u>	<u>\$ 54,904</u>	<u>\$ 32,630</u>	<u>\$1,086,835</u>

8. Changes in Long Term Obligations

	<u>Compensated Absences</u>	<u>Net OPEB Obligations</u>	<u>Total</u>
Balance at 7/01/13	\$238,043	823,353	1,061,396
Additions		295,848	295,848
Deductions	<u>(80)</u>	<u>(49,696)</u>	<u>(49,776)</u>
Balance at 6/30/14	\$237,963	1,069,505	1,307,468

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

9. PENSION PLAN

Substantially all employees of the Rapides Parish Clerk of Court are members of the Louisiana Clerks of court Retirement and Relief Fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and received the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Ave., Suite B1, Baton Rouge, Louisiana 70816, or by calling (504) 293-1162.

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Rapides Parish clerk of Court is required to contribute at an actuarially determined rate. The current rate is 18.50 percent of annual covered payroll. The Clerk has elected as of June 30, 2002 to pay the employee & employer's share. Contributions to the system also include one-fourth of one percent (one-half of the one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Rapides Parish Clerk of Court are established by and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Rapides Parish Clerk of Court's contributions to the system for the years ending June 30, 2014, 2013, and 2012, were \$504,939, \$489,707, and \$491,024, respectively, equal to the required contributions for each year.

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

10. DEFERRED COMPENSATION PLAN

Certain employees of the Rapides Parish Clerk Court participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Completed disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

11. OPERATING LEASES

The Rapides Parish Clerk of Court has lease commitments for (11) copiers as of June 30, 2014. The Clerk also leases a vehicle. The cost for the leases for the year ended June 30, 2014 was \$27,312. The future minimum lease payments for these leases are as follows:

<u>YEAR ENDING JUNE 30,</u>	<u>COPIERS</u>	<u>AUTO</u>	<u>TOTAL</u>
2015	17,504	7,299	24,803
2016	9,971	5,474	15,445
2017	1,713	-0-	1,713
TOTAL	<u>\$ 29,188</u>	<u>\$ 12,273</u>	<u>\$ 41,961</u>

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

12. LITIGATION AND CLAIMS

There were no outstanding claims or litigation at year end. Also, no amounts are outstanding and due for attorney fees.

13. ACT 211 OF THE LEGISLATURE OF LOUISIANA

The Clerk of Court of Rapides Parish was authorized by Act 211 to establish a pilot program to provide for a schedule of flat filing fees in the Ninth Judicial District court effective January 1, 1992. The Clerk, at her option, decided not to implement this program at that time. Therefore, there is no separate fund to be audited and/or accounted for in the financial statements at June 30, 2014.

14. Expenditures of the Clerk of Court paid by the Police Jury

Certain operating expenditures such as the maintenance and operation costs of the office are paid by the Rapides Parish Police Jury and are not included in the accompanying financial statements. The expenditures paid by the police jury is indeterminate and not included in the accompanying financial statements.

15. Post Employment Health Care Benefits

The Rapides Parish Clerk of Court has been paying all the health care insurance costs of its retirees. Prior to July 1, 2009, the costs were recorded on a pay as you go basis. During the year ended June 30, 2009, the clerk adopted the required accounting standard (gasb - 45). The new standard requires the health insurance costs for future retirees to be recorded over their current working life and to provide the following additional disclosures.

Plan Description

The Clerk's defined benefit postemployment health care plan ("the Retiree Health Plan") Provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan is affiliated with the Louisiana Clerks of Court Insurance Trust ("LCCIT"), an agent multiple-employer postemployment healthcare plan administered by the Louisiana Clerks of Court Association.

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

15. Post Employment Health Care Benefits (contd.)

Funding Policy

The contribution requirements of plan members and the clerk are established and may be amended by the LCCIT board of trustees. The clerk pays for the entire Option 1 premium charged by the LCCA for retirees. Retirees are required to pay the difference in cost between Option 1 and Option 2. They are also required to pay 100% of the premium for their dependents. For fiscal year 2014, the Clerk contributed \$49,696 to the plan for the retirees and retirees contributed \$818.

Annual OPEB Cost and Net OPEB Obligation

For 2014, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the clerk's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the clerk's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$310,284
Interest on Net OPEB Obligation	28,817
Adjustment to Annual Required Contribution	<u>(43,253)</u>
Annual OPEB cost(expense)	295,848
Contribution Made	<u>(49,696)</u>
 Increase in Net OPEB Obligation	 246,152
Net OPEB Obligation-beginning of year	<u>823,353</u>
Net OPEB Obligation-end of year	<u><u>\$1,069,505</u></u>

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

15. Post Employment Health Care Benefits (contd.)

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/12	\$224,181	19.9%	\$ 567,813
6/30/13	\$300,329	14.9%	\$ 823,353
6/30/14	\$295,849	16.8%	\$1,069,505

Funded Status and Funding Progress

As of June 30, 2013, the actuarial accrued liability for benefits was \$2,789,356, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,043,230, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 136.5%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

15. Post Employment Health Care Benefits (contd.)

Methods and Assumptions

The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

In the July 1, 2012 actuarial valuation, the unit credit cost method was used. Based on the Clerk's short term investment portfolio, a discount rate of 3.5% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5.5% after 15 years. The Clerk's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

CLERK OF COURT OF RAPIDES PARISH
Alexandria, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUE				
Deeds	\$1,320,100	\$1,046,680	\$1,067,320	\$20,640
Civil Suits and Probates	1,293,500	1,259,659	1,275,395	15,736
Cancellations	10,750	7,050	7,180	130
Mortgage Certificates	24,900	22,802	22,701	(101)
Vital Records	76,100	117,683	119,770	2,087
Marriage Licenses	30,200	30,200	30,223	23
Certified Copies	278,700	195,654	197,636	1,982
Criminal Fees	183,150	156,062	124,691	(31,371)
Election Fees	5,300	925	818	(107)
UCC Fees	168,000	182,100	174,460	(7,640)
Interest on Investments	35,100	16,085	21,974	5,889
Title IV State Fees	92,900	115,095	115,367	272
Miscellaneous	333,300	153,100	143,946	(9,154)
TOTAL REVENUE	3,852,000	3,303,095	3,301,481	(1,614)
EXPENDITURES				
CURRENT-General Government				
Salaries and Benefits	2,183,352.00	2,078,382.00	2,080,565	(2,183)
Office Expense	173,700.00	241,440.00	210,516	30,924
Group Insurance	346,900.00	353,020.00	353,947	(927)
General Insurance	36,190.00	33,190.00	30,385	2,805
Travel & Continuing educ.	9,000.00	4,350.00	4,472	(122)
Auto Supplies and Maint.	9,270.00	7,550.00	7,493	57
Computer Operations	37,900.00	33,700.00	33,877	(177)
Telephone	29,300.00	24,700.00	24,610	90
Retirement Contributions	490,000.00	504,700.00	504,939	(239)
Election Expenses	0.00	750.00	760	(10)
Battered Families	11,300.00	13,150.00	13,051	99
Sec. of State - UCC Fees	49,700.00	54,000.00	56,316	(2,316)
Vital Records Fees	41,000.00	98,400.00	90,835	7,565
Miscellaneous	121,800.00	129,864.00	127,075	2,789
Total Current Expenditures	3,539,412	3,577,196	3,538,841	38,355
CAPITAL OUTLAY:				
	25,220	7,040	11,012	(3,972)
Total Expenditures	3,564,632	3,584,236	3,549,853	34,383

(Continued)

The accompanying notes are an integral part of this financial statement

CLERK OF COURT OF RAPIDES PARISH
Alexandria, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014
(continued)

	BUDGETED AMOUNTS			VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
EXCESS (DEF) OF REVENUES OVER EXPENDITURES	287,368	(281,141)	(248,372)	32,769
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0		5,063	5,063
Total Other Financing sources (uses)	0	0	5,063	5,063
Excess Of Revenues and Other Financing Sources over (Under) Expenditures and Other Financing Uses	287,368	(281,141)	(243,309)	37,832
FUND BALANCE, BEGINNING	3,835,629	3,835,629	3,835,629	0
FUND BALANCE, ENDING	\$4,122,997	\$3,554,488	\$3,592,320	\$37,832

The accompanying notes are an integral part of this financial statement

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

SCHEDULE OF FUNDING PROGRESS

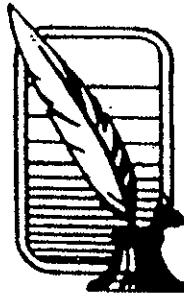
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY		UNFUNDED AAL (UAAL) (b-a)	FUNDED RATIO (a/b)	COVERED PAYROLL (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((B-A)/C)
		(AAL)- ENTRY AGE (b)					
6/30/2009	\$0	\$2,775,009		\$2,775,009	0.0%	\$1,802,846	153.9%
6/30/2012	\$0	\$2,789,356		\$2,789,356	0.0%	\$2,037,158	136.9%

**CLERK OF COURT OF RAPIDES PARISH
ALEXANDRIA, LOUISIANA**

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain the report on internal control structure and compliance with laws and regulations required by Government Auditing Standards issued by the Comptroller General of the United States. The paragraph on internal control structure is based solely on the audit of the general purpose financial statements and includes where appropriate, any significant deficiencies and/or material weaknesses. The paragraph on compliance with laws and regulations is, likewise, based solely on the audit of the general purpose financial statements and presents, where applicable, compliance matters that would be material to the general purpose financial statements.

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS



MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

DEBEVEC
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Robin Hooter
Clerk of Court of Rapides Parish
Alexandria, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Rapides Parish Clerk of Court, as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Rapides Parish Clerk of Court's basic financial statements and have issued my report thereon dated December 19, 2014

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Clerk's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, I do not express an opinion on the effectiveness of the Clerk's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clerk's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Billy Debevec, CPA
Alexandria, Louisiana
December 19, 2014

RAPIDES PARISH CLERK OF COURT
ALEXANDRIA, LOUISIANA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2013

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
None			

CLERK OF COURT OF RAPIDES PARISH
Alexandria, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014

I have audited the financial statements of the Clerk of Court of Rapides Parish as of June 30, 2014 and have issued my report thereon dated December 19, 2014. I conducted my audit in accordance with United States generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of and for the year ended June 30, 2014 resulted in an unqualified opinion.

Section 1-Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal control

Material Weaknesses ☐ Yes ☒ No

Significant Deficiencies ☐ Yes ☒ No

Compliance

Non Compliance Material to Financial Statements ☐ Yes ☒ No

Section II-Financial Statement Findings

None

Section III-Findings and Questioned Costs

None